GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:3637
ANSWERED ON:23.03.2017
Upfront Payment for Mineral Explorers
Boianapalli Shri Vinod Kumar

Will the Minister of MINES be pleased to state:

(a) whether the Government has devised a new scheme for rewarding exploration companies with upfront payments based on the reserve value of the minerals they are able to establish to give boost to mineral exploration; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES, POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) & (b): As provisioned in the National Mineral Exploration Policy (NMEP), the Government will assist State Governments in allotment of identified mineral exploration blocks through competitive bidding for exploration by private sector entities on an incentive scheme. The National Mineral Exploration Trust (NMET), set up by the Government, has taken up the process of empanelling private exploration entities who meet prescribed technical and financial requirements, for providing exploration services to the Notified Exploration Agencies/ State Directorate of Geology and Mining [NEAs] for taking up exploration projects in the country.

Under the incentive scheme, the relevant State Governments shall notify areas where the NEAs shall be undertaking proposed exploration projects with the assistance of empanelled exploration entities /explorers. Empanelled explorers who have the expertise will participate in the limited competitive bidding process for selection of an Explorer to provide exploration services to NEAs in relation to the proposed exploration project. The Explorer will be eligible to receive incentive on establishing mineral resources at levels prescribed under the Minerals (Evidence for Mineral Contents) Rules, 2015. The incentive payable will be linked to the Value of Estimated Resources as defined under the Mineral (Auction) Rules, 2015 subject to minimum and maximum of 1 to 10 times the annual fee payable to the Explorer.

* * *